

## One Big Beautiful Bill Act (OB3A) Frequently Asked Questions

**Subject to change:** The answers to the frequently asked questions below are current as of the date of publication, and are subject to change. Final rules pertaining to financial aid related changes outlined in OB3A are expected to be published by the Department of Education (ED) in June 2026.

- How is a New Borrower defined in OB3A?
  - To be considered a new federal loan borrower, **both** of the following must be true:
    - You (the student) began an undergraduate or graduate program of study on or after July 1, 2026 **AND**
    - You (the student) did not receive any Federal Direct Loan (subsidized, unsubsidized, or PLUS) for that specific program of study prior to July 1, 2026.
  - If you borrowed loans for your current program of study before July 1, 2026 and will continue that program of study, you are considered a **legacy borrower**.
  
- How is a Legacy Borrower defined in OB3A?
  - To be considered a legacy borrower, **both** of the following must be true:
    - You (the student) will be enrolled in the same program of study, the same degree type, and at the same institution in the 2026/27 academic year that you were continuously enrolled in prior to July 1, 2026 **AND**
    - You (the student) borrowed a Federal Direct Loan (subsidized, unsubsidized, or PLUS) **OR** your parent borrowed a Parent PLUS Loan for that specific program of study prior to July 1, 2026. The loan **MUST** be used for the same program of study in which you remain enrolled after July 1, 2026.
  - Legacy borrowers are eligible for legacy provisions (or interim exemptions) that allow them to continue borrowing under the previous rules for a limited period of time. These provisions include:
    - Continued borrowing under the previous loan limits.
    - Borrowing is limited to either 3 academic years or the remaining time to complete your degree, whichever is less.
  - If you do not meet the above criteria as a legacy borrower, you are considered a new borrower.
  
- What does “Program of Study” or “Degree Type” mean?
  - A program of study is a program that leads to a specific degree.
  - The following are examples of a “program of study” at RISD:
    - Undergraduate
    - Graduate
  - The following are examples of “degree type” at RISD
    - Bachelor’s degree
    - Master’s degree

- Will OB3A impact undergraduate federal loan borrowing?
  - For federal **student** loans, OB3A does not change annual or aggregate undergraduate federal loan limits.
  - Annual Borrowing Limits
    - First year: \$5,500 combined subsidized and unsubsidized loans
      - \$9,500 for independent students as defined by FAFSA rules
    - Second year: \$6,500 combined subsidized and unsubsidized loans
      - \$10,500 for independent students as defined by FAFSA rules
    - Junior/Senior year: \$7,500 combined subsidized and unsubsidized loans
      - \$12,500 for independent students as defined by FAFSA rules
  - Aggregate Borrowing Limits
    - Dependent undergraduates: \$31,000
    - Independent undergraduates: \$57,500
  
- How does OB3A affect Parent PLUS loan borrowing?
  - **For new Parent PLUS borrowers on or after July 1, 2026** - OB3A introduces fixed annual and aggregate borrowing limits per dependent student, shared across all parents. New borrowers will have an annual limit of \$20,000 and an aggregate limit of \$65,000 per dependent student.
  - **For parents who borrowed Parent PLUS loans prior to July 1, 2026** - MAY be eligible to borrow under the previous borrowing rules (pre July 2026) as long as the student is eligible for the interim exception (legacy status) AND the parent is eligible to borrow. This provision allows the parent to continue borrowing up to the student's cost of attendance minus other financial aid for up to three (3) additional academic years, or until the student completes their program of study - whichever occurs first.
  
- What is the borrowing limit for new Parent PLUS borrowers?
  - All parents combined may borrow up to \$20,000 per academic year per dependent student.
  - A new aggregate (total) borrowing cap of \$65,000 per dependent student has also been established. It is extremely important when creating your financial plan to pay for your education, that families keep the aggregate limit in mind so students have what they need to finish their program of study.
  
- Does a leave of absence impact legacy status for PLUS loan borrowers?
  - Yes. If a student is not continuously enrolled in their program of study, under the new rules a parent would be considered a new Parent PLUS loan borrower and would be subject to the previously mentioned loan limits upon the student's return to school.
  
- Does part-time enrollment affect how much Federal Direct Loans I can borrow?

- **YES.** Enrollment status affects both undergraduate and graduate federal loan eligibility.
    - You must be enrolled at least half-time to receive most federal loans.
    - Federal loans will be adjusted for students enrolled less than full-time.
    - If a student's enrollment changes after federal loans have been disbursed for the semester, loan borrowing for the next semester may be adjusted or reduced.
  - It is important to [contact Student Financial Services](#) to determine how changes to your enrollment may affect your financial aid.
- Will my Federal Direct Loans be adjusted if my enrollment status changes during the semester?
    - It is possible. When a student changes their enrollment mid-semester, multiple factors come into play including when the change occurs and the status of the loan.
    - If a student's enrollment status changes AFTER loans have been disbursed for the semester, loan borrowing for the next semester may be adjusted or reduced. Federal rules require the proration of loans in certain circumstances.
    - It is important to [contact Student Financial Services](#) to determine how changes to your enrollment may affect your financial aid.
- What is loan proration?
    - If a student is in their final term, which is shorter than an academic year and will graduate at the end of the term (ie. at the end of the fall semester), Federal Direct Loans must be prorated proportionately to the total annual loan limit.
    - *The above pertains to "historical loan proration" and is specific to annual loan borrowing.*
    - *There is a new requirement called "schedule of reductions" that aligns loan amounts with the student's actual enrollment intensity within a **semester**. See "What is Schedule of Reductions?" for more information.*
- What is schedule of reductions?
    - OB3A requires all colleges and universities to now adjust annual Federal Direct Loan amounts for the 2026 - 2027 academic year and beyond if the student is enrolled less than full time for the academic year. Students are still required to be enrolled half time as defined by their academic program to borrow Federal Direct Loans.
    - The new regulation applies to all undergraduate and graduate students. All Federal Direct Loans, except the Parent Plus Loan, are subject to this reduction requirement.
    - If you will be enrolled less than full time, it is imperative that you [contact Student Financial Services](#) to have a clear understanding how these new rules will apply to you and your financial aid.

- Do Federal Direct Unsubsidized Loan limits change for graduate students under OB3A?
  - **YES.** Although the graduate Direct Unsubsidized Loan annual limits remain unchanged (\$20,500), OB3A made **significant** changes to aggregate borrowing limits and added a new **lifetime** borrowing limit for graduate students. See the table below.

Borrower Type	Annual Limit	Aggregate Limit
Graduate Student	\$20,500	\$100,000
Lifetime Cap*	n/a	\$257,500

*\*The total lifetime borrowing limit now includes all federal student loans - subsidized, unsubsidized, and Graduate PLUS - across all levels of study, including: undergraduate loans, graduate loans, and professional loans. The borrowing limit also includes all student loans borrowed prior to July 1, 2026.*

- Can I borrow a Grad PLUS loan?
  - It depends on when you started your graduate program at RISD.
    - Students who began a graduate program at RISD on or after July 1, 2026 **will not** be eligible to borrow Grad PLUS loans due to the elimination of the program.
    - Students who are enrolled in a graduate program at RISD before July 1, 2026, and received a Direct Loan for that specific program before July 1, 2026, qualify for the interim exception (legacy status). This allows them to continue borrowing Grad PLUS loans if they meet the following criteria:
      - Remain enrolled at least half time
      - Meet federal credit requirements
      - Borrow for the lesser of 3 academic years or the remaining time to credential (the remaining time you will be enrolled until completing your degree requirements and graduating).
  - **Important:** Withdrawing or taking a leave of absence for more than 180 days results in the loss of legacy status. Once this occurs, new loan limits take effect, and Grad PLUS borrowing is no longer permitted.
- Has the Grad PLUS Loan program been discontinued?
  - Effective July 1, 2026, the Grad PLUS Loan program will begin phasing out. Students who begin a program at RISD after July 1, 2026 will not be eligible to borrow under the Grad PLUS Loan program. However, students who are enrolled in a graduate program at RISD before July 1, 2026 and received a Direct Loan for that program of study prior to July 1, 2026, qualify for the interim exception (legacy status) and may be eligible to borrow.

- If I change my major, will I forfeit the interim exception?
  - No. You can continue to receive the interim exception (legacy status) if you remain within your same program of study and same degree type at the same institution.
  
- If I change my program of study or degree type, will I forfeit the interim exception?
  - Yes. A program or degree type change will result in:
    - Loss of interim exception, meaning you will move to the new loan limits for graduate or professional borrowers.
    - Different annual and aggregate loan limits.
    - Loss of eligibility for Grad PLUS if your new program begins on or after July 1, 2026.
  - A program of study (undergraduate or graduate) is an organized set of courses that leads to a specific degree. The degree type refers to the specified degree the student is seeking (bachelor's or master's).
  
- What other options are available to help me cover my bill?
  - Please visit the [Student Accounts](#) portion of our website for options.
  - Students and families may also explore private loan options on our website.
    - [Undergraduate](#)
    - [Graduate](#)
  
- Have student loan repayment options changed?
  - Yes. Repayment options will be streamlined into two plans: a new tiered standard repayment plan and a new income-drive repayment plan called the Repayment Assistance Plan (RAP).
  - Existing income contingent repayment plans will sunset in 2028.